

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 1, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-12.1-1 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. For purposes of this
- 5 chapter:
- 6 (1) "Economic revitalization area" means an area which is within
- 7 the corporate limits of a city, town, or county which has become
- 8 undesirable for, or impossible of, normal development and
- 9 occupancy because of a lack of development, cessation of growth,
- 10 deterioration of improvements or character of occupancy, age,
- 11 obsolescence, substandard buildings, or other factors which have
- 12 impaired values or prevent a normal development of property or
- 13 use of property. The term "economic revitalization area" also
- 14 includes:
- 15 (A) any area where a facility or a group of facilities that are
- 16 technologically, economically, or energy obsolete are located
- 17 and where the obsolescence may lead to a decline in
- 18 employment and tax revenues; and
- 19 (B) a residually distressed area, except as otherwise
- 20 provided in this chapter.
- 21 (2) "City" means any city in this state, and "town" means any

town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means any tangible personal property which:

(A) was installed after February 28, 1983, and before January 1, ~~2006~~, **2011**, in an area that is declared an economic revitalization area after February 28, 1983, in which a deduction for tangible personal property is allowed;

(B) is used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(C) was acquired by its owner for use as described in clause (B) and was never before used by its owner for any purpose in Indiana.

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before the area where the property is located was designated as an economic revitalization area or the statement of benefits for the property was approved by the designating body.

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures in economic revitalization areas, either:

(A) on unimproved real estate; or

(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) "Designating body" means the following:

(A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(B) For a county containing a consolidated city, the

- 1 metropolitan development commission.
- 2 (8) "Deduction application" means either:
- 3 (A) the application filed in accordance with section 5 of this
- 4 chapter by a property owner who desires to obtain the
- 5 deduction provided by section 3 of this chapter; or
- 6 (B) the application **(before January 1, 2006) or schedule**
- 7 **(after December 31, 2005)** filed in accordance with ~~section~~
- 8 ~~5.5~~ **section 5.4** of this chapter by a person who desires to
- 9 obtain the deduction provided by section 4.5 of this chapter.
- 10 (9) "Designation application" means an application that is filed
- 11 with a designating body to assist that body in making a
- 12 determination about whether a particular area should be
- 13 designated as an economic revitalization area.
- 14 (10) "Hazardous waste" has the meaning set forth in
- 15 IC 13-11-2-99(a). The term includes waste determined to be a
- 16 hazardous waste under IC 13-22-2-3(b).
- 17 (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a).
- 18 However, the term does not include dead animals or any animal
- 19 solid or semisolid wastes.
- 20 (12) "New research and development equipment" means tangible
- 21 personal property that:
- 22 (A) is installed after June 30, 2000, and before January 1,
- 23 ~~2006~~, **2011**, in an economic revitalization area in which a
- 24 deduction for tangible personal property is allowed;
- 25 (B) consists of:
- 26 (i) laboratory equipment;
- 27 (ii) research and development equipment;
- 28 (iii) computers and computer software;
- 29 (iv) telecommunications equipment; or
- 30 (v) testing equipment;
- 31 (C) is used in research and development activities devoted
- 32 directly and exclusively to experimental or laboratory research
- 33 and development for new products, new uses of existing
- 34 products, or improving or testing existing products; and
- 35 (D) is acquired by the property owner for purposes described
- 36 in this subdivision and was never before used by the owner for
- 37 any purpose in Indiana.
- 38 The term does not include equipment installed in facilities used

for or in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising or promotion, or research in connection with literacy, history, or similar projects.

(13) "New logistical distribution equipment" means tangible personal property that:

(A) is installed after June 30, 2004, and before January 1, ~~2006~~, **2011**, in an economic revitalization area

(i) in which a deduction for tangible personal property is allowed; ~~and~~

(ii) ~~located in a county referred to in section 2-3 of this chapter, subject to section 2-3(c) of this chapter;~~

(B) consists of:

(i) racking equipment;

(ii) scanning or coding equipment;

(iii) separators;

(iv) conveyors;

(v) forklifts or lifting equipment (including "walk behinds");

(vi) transitional moving equipment;

(vii) packaging equipment;

(viii) sorting and picking equipment; or

(ix) software for technology used in logistical distribution;

(C) is used for the storage or distribution of goods, services, or information; and

(D) before being used as described in clause (C), was never used by its owner for any purpose in Indiana.

(14) "New information technology equipment" means tangible personal property that:

(A) is installed after June 30, 2004, and before January 1, ~~2006~~, **2011**, in an economic revitalization area

(i) in which a deduction for tangible personal property is allowed; ~~and~~

(ii) ~~located in a county referred to in section 2-3 of this chapter, subject to section 2-3(c) of this chapter;~~

(B) consists of equipment, including software, used in the fields of:

(i) information processing;

(ii) office automation;

(iii) telecommunication facilities and networks;

- (iv) informatics;
- (v) network administration;
- (vi) software development; and
- (vii) fiber optics; and

(C) before being installed as described in clause (A), was never used by its owner for any purpose in Indiana.

SECTION 2. IC 6-1.1-12.1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A designating body may find that a particular area within its jurisdiction is an economic revitalization area. However, the deduction provided by this chapter for economic revitalization areas not within a city or town shall not be available to retail businesses.

(b) In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within its jurisdiction is a residentially distressed area. Designation of an area as a residentially distressed area has the same effect as designating an area as an economic revitalization area, except that the amount of the deduction shall be calculated as specified in section 4.1 of this chapter and the deduction is allowed for not more than five (5) years. In order to declare a particular area a residentially distressed area, the designating body must follow the same procedure that is required to designate an area as an economic revitalization area and must make all the following additional findings or all the additional findings described in subsection (c):

(1) The area is comprised of parcels that are either unimproved or contain only one (1) or two (2) family dwellings or multifamily dwellings designed for up to four (4) families, including accessory buildings for those dwellings.

(2) Any dwellings in the area are not permanently occupied and are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) Parcels of property in the area:

(A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or

(B) are owned by a unit of local government.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand

(300,000), the designating body is only required to make one (1) of the additional findings described in this subsection or one (1) of the additional findings described in subsection (c).

(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

(1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land.

(2) A significant number of dwelling units within the area are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States.

(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time.

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax deductions provided by sections 3 and 4.5 of this chapter are only available within an area which the designating body finds to be an economic revitalization area.

(g) The designating body may adopt a resolution establishing general standards to be used, along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area. The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following three (3) sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

(i) In declaring an area an economic revitalization area, the designating body may:

(1) limit the time period to a certain number of calendar years during which the area shall be so designated;

(2) limit the type of deductions that will be allowed within the economic revitalization area to either the deduction allowed under section 3 of this chapter or the deduction allowed under section 4.5 of this chapter;

(3) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment if a deduction under this chapter had not been filed before July 1, 1987, for that equipment;

(4) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas on or

1 after September 1, 1988; or

2 (5) impose reasonable conditions related to the purpose of this
 3 chapter or to the general standards adopted under subsection (g)
 4 for allowing the deduction for the redevelopment or rehabilitation
 5 of the property or the installation of the new manufacturing
 6 equipment, new research and development equipment, new
 7 logistical distribution equipment, or new information technology
 8 equipment.

9 To exercise one (1) or more of these powers, a designating body must
 10 include this fact in the resolution passed under section 2.5 of this
 11 chapter.

12 (j) Notwithstanding any other provision of this chapter, if a
 13 designating body limits the time period during which an area is an
 14 economic revitalization area, that limitation does not:

15 (1) prevent a taxpayer from obtaining a deduction for new
 16 manufacturing equipment, new research and development
 17 equipment, new logistical distribution equipment, or new
 18 information technology equipment installed before January 1,
 19 ~~2006~~, **2011**, but after the expiration of the economic revitalization
 20 area if:

21 (A) the economic revitalization area designation expires after
 22 December 30, 1995; and

23 (B) the new manufacturing equipment, new research and
 24 development equipment, new logistical distribution equipment,
 25 or new information technology equipment was described in a
 26 statement of benefits submitted to and approved by the
 27 designating body in accordance with section 4.5 of this chapter
 28 before the expiration of the economic revitalization area
 29 designation; or

30 (2) limit the length of time a taxpayer is entitled to receive a
 31 deduction to a number of years that is less than the number of
 32 years designated under section 4 or 4.5 of this chapter.

33 (k) Notwithstanding any other provision of this chapter, deductions:

34 (1) that are authorized under section 3 of this chapter for property
 35 in an area designated as an urban development area before March
 36 1, 1983, and that are based on an increase in assessed valuation
 37 resulting from redevelopment or rehabilitation that occurs before
 38 March 1, 1983; or

(2) that are authorized under section 4.5 of this chapter for new manufacturing equipment installed in an area designated as an urban development area before March 1, 1983;

apply according to the provisions of this chapter as they existed at the time that an application for the deduction was first made. No deduction that is based on the location of property or new manufacturing equipment in an urban development area is authorized under this chapter after February 28, 1983, unless the initial increase in assessed value resulting from the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment occurred before March 1, 1983.

(l) If property located in an economic revitalization area is also located in an allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), an application for the property tax deduction provided by this chapter may not be approved unless the commission that designated the allocation area adopts a resolution approving the application.

SECTION 3. IC 6-1.1-12.1-5.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5.4. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction **application schedule with the person's personal property return** on **forms a form** prescribed by the department of local government finance with the **auditor township assessor** of the **county township** in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located. **Except as provided in subsection (e), the deduction is applied in the amount claimed in a certified schedule that a person that files with:**

(1) a timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under or IC 6-1.1-3-7(b); for the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology

equipment is installed must file the application between March 1 and the extended due date for that year. or

(2) a timely amended personal property return under IC 6-1.1-3-7.5.

The township assessor shall forward to the county auditor and the county assessor a copy of each certified deduction schedule filed under this subsection.

(b) The deduction ~~application~~ **schedule** required by this section must contain the following information:

(1) The name of the owner of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

~~(3) Proof of the date the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was installed.~~

~~(4)~~ (3) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction ~~application~~ **schedule** with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction ~~application~~ **schedule** to the designating body, and the designating body shall adopt a resolution under section 4.5(g)(2) of this chapter.

(d) A deduction ~~application~~ **schedule** must be filed under this section in the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed and in each of the immediately succeeding years the deduction is allowed.

~~(e) Subject to subsection (i), The county auditor shall:~~ **township assessor or the county assessor may:**

- (1) review the deduction ~~application~~; **schedule**; and
 (2) ~~approve~~; **before the March 1 that next succeeds the**
assessment date for which the deduction is claimed, deny or
 alter the amount of the deduction.

~~Upon approval of the deduction application or alteration of the amount~~
~~of the deduction~~; **If the township assessor or the county assessor**
does not deny the deduction, the county auditor shall ~~make~~ **apply** the
 deduction **in the amount claimed in the deduction schedule or in the**
amount as altered by the township assessor or the county assessor.
A township assessor or a county assessor who denies a deduction
under this subsection or alters the amount of the deduction shall
notify the person that claimed the deduction and the county auditor
of the assessor's action. The county auditor shall notify the
designating body and the county property tax assessment board of
 appeals of all deductions ~~approved~~ **applied** under this section.

(f) If the ownership of new manufacturing equipment, new research
 and development equipment, new logistical distribution equipment, or
 new information technology equipment changes, the deduction
 provided under section 4.5 of this chapter continues to apply to that
 equipment if the new owner:

- (1) continues to use the equipment in compliance with any
 standards established under section 2(g) of this chapter; and
 (2) files the deduction ~~applications~~ **schedules** required by this
 section.

(g) The amount of the deduction is the percentage under section 4.5
 of this chapter that would have applied if the ownership of the property
 had not changed multiplied by the assessed value of the equipment for
 the year the deduction is claimed by the new owner.

(h) A person may appeal ~~the a~~ determination of the ~~county auditor~~
township assessor or the county assessor under subsection (e) **to**
deny or alter the amount of the deduction by ~~filing a complaint in the~~
~~office of the clerk of the circuit or superior court requesting in writing~~
a preliminary conference with the township assessor or the county
assessor not more than forty-five (45) days after the ~~county auditor~~
township assessor or the county assessor gives the person notice of
 the determination. **Except as provided in subsection (i), an appeal**
initiated under this subsection is processed and determined in the
same manner that an appeal is processed and determined under

1 **IC 6-1.1-15.**

2 (i) Before the county auditor acts under subsection (e), the county
3 auditor may request that the township assessor in which the property is
4 located review the deduction application.

5 (i) **The county assessor is recused from any action the county**
6 **property tax assessment board of appeals takes with respect to an**
7 **appeal under subsection (h) of a determination by the county**
8 **assessor.**

9 SECTION 4. IC 6-1.1-12.1-5.6 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5.6. (a) This
11 subsection applies to a property owner whose statement of benefits was
12 approved under section 4.5 of this chapter before July 1, 1991. In
13 addition to the requirements of section ~~5.5(b)~~ **5.4(b)** of this chapter, a
14 deduction ~~application~~ **schedule** filed under section ~~5.5~~ **5.4** of this
15 chapter must contain information showing the extent to which there has
16 been compliance with the statement of benefits approved under section
17 4.5 of this chapter. Failure to comply with a statement of benefits
18 approved before July 1, 1991, may not be a basis for rejecting a
19 deduction application.

20 (b) This subsection applies to a property owner whose statement of
21 benefits was approved under section 4.5 of this chapter after June 30,
22 1991. In addition to the requirements of section ~~5.5(b)~~ **5.4(b)** of this
23 chapter, a property owner who files a deduction ~~application~~ **schedule**
24 under section ~~5.5~~ **5.4** of this chapter must provide the county auditor
25 and the designating body with information showing the extent to which
26 there has been compliance with the statement of benefits approved
27 under section 4.5 of this chapter.

28 (c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following
29 information is a public record if filed under this section:

30 (1) The name and address of the taxpayer.

31 (2) The location and description of the new manufacturing
32 equipment, new research and development equipment, new
33 logistical distribution equipment, or new information technology
34 equipment for which the deduction was granted.

35 (3) Any information concerning the number of employees at the
36 facility where the new manufacturing equipment, new research
37 and development equipment, new logistical distribution
38 equipment, or new information technology equipment is located,

1 including estimated totals that were provided as part of the
2 statement of benefits.

3 (4) Any information concerning the total of the salaries paid to
4 those employees, including estimated totals that were provided as
5 part of the statement of benefits.

6 (5) Any information concerning the amount of solid waste or
7 hazardous waste converted into energy or other useful products by
8 the new manufacturing equipment.

9 (6) Any information concerning the assessed value of the new
10 manufacturing equipment, new research and development
11 equipment, new logistical distribution equipment, or new
12 information technology equipment including estimates that were
13 provided as part of the statement of benefits.

14 (d) The following information is confidential if filed under this
15 section:

16 (1) Any information concerning the specific salaries paid to
17 individual employees by the owner of the new manufacturing
18 equipment, new research and development equipment, new
19 logistical distribution equipment, or new information technology
20 equipment.

21 (2) Any information concerning the cost of the new manufacturing
22 equipment, new research and development equipment, new
23 logistical distribution equipment, or new information technology
24 equipment.

25 SECTION 5. IC 6-1.1-12.1-5.9 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5.9. (a) This
27 section does not apply to:

28 (1) a deduction under section 3 of this chapter for property located
29 in a residentially distressed area; or

30 (2) any other deduction under section 3 or 4.5 of this chapter for
31 which a statement of benefits was approved before July 1, 1991.

32 (b) Not later than forty-five (45) days after receipt of the information
33 described in section 5.1 or 5.6 of this chapter, the designating body may
34 determine whether the property owner has substantially complied with
35 the statement of benefits approved under section 3 or 4.5 of this
36 chapter. If the designating body determines that the property owner has
37 not substantially complied with the statement of benefits and that the
38 failure to substantially comply was not caused by factors beyond the

control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

(1) An explanation of the reasons for the designating body's determination.

(2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3 or 4.5 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

(d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:

(1) the property owner; ~~and~~

(2) the county auditor; ~~and~~

(3) if the deduction applied under section 4.5 of this chapter, the township assessor.

The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8, the county

1 treasurer shall immediately mail the property owner a revised statement
2 that reflects the termination of the deduction.

3 (e) A property owner whose deduction is terminated by the
4 designating body under this section may appeal the designating body's
5 decision by filing a complaint in the office of the clerk of the circuit or
6 superior court together with a bond conditioned to pay the costs of the
7 appeal if the appeal is determined against the property owner. An
8 appeal under this subsection shall be promptly heard by the court
9 without a jury and determined within thirty (30) days after the time of
10 the filing of the appeal. The court shall hear evidence on the appeal and
11 may confirm the action of the designating body or sustain the appeal.
12 The judgment of the court is final and conclusive unless an appeal is
13 taken as in other civil actions.

14 (f) If an appeal under subsection (e) is pending, the taxes resulting
15 from the termination of the deduction are not due until after the appeal
16 is finally adjudicated and the termination of the deduction is finally
17 determined.

18 SECTION 6. IC 6-1.1-12.1-8 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8. (a) Not later
20 than December 31 of each year, the county auditor shall publish the
21 following in a newspaper of general interest and readership and not one
22 of limited subject matter:

23 (1) A list of the ~~approved~~ deduction applications that were filed
24 under this chapter during that year **that resulted in deductions**
25 **being applied under this chapter for that year.** The list must
26 contain the following:

27 (A) The name and address of each person approved for or
28 receiving a deduction that was filed for during the year.

29 (B) The amount of each deduction that was filed for during the
30 year.

31 (C) The number of years for which each deduction that was
32 filed for during the year will be available.

33 (D) The total amount for all deductions that were filed for and
34 **granted applied** during the year.

35 (2) The total amount of all deductions for real property that were
36 in effect under section 3 of this chapter during the year.

37 (3) The total amount of all deductions for new manufacturing
38 equipment, new research and development equipment, new

logistical distribution equipment, or new information technology equipment that were in effect under section 4.5 of this chapter during the year.

(b) The county auditor shall file the information described in subsection (a)(2) and (a)(3) with the department of local government finance not later than December 31 of each year.

SECTION 7. IC 6-1.1-12.1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. Notwithstanding any other provision of this chapter, a designating body may not approve a statement of benefits for a deduction under section 3 or 4.5 of this chapter after December 31, ~~2005~~ **2010**.

SECTION 8. IC 6-1.1-12.1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 14. (a) This section does not apply to:

(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or

(2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 2004.

(b) A property owner that receives a deduction under section 3 or 4.5 of this chapter is subject to this section only if the designating body, with the consent of the property owner, incorporates this section, including the percentage to be applied by the county auditor for purposes of STEP TWO of subsection (c), into its initial approval of the property owner's statement of benefits and deduction at the time of that approval.

(c) During each year in which a property owner's property tax liability is reduced by a deduction ~~granted~~ **applied** under this chapter, the property owner shall pay to the county treasurer a fee in an amount determined by the county auditor. The county auditor shall determine the amount of the fee to be paid by the property owner according to the following formula:

STEP ONE: Determine the additional amount of property taxes that would have been paid by the property owner during the year if the deduction had not been in effect.

STEP TWO: Multiply the amount determined under STEP ONE by the percentage determined by the designating body under subsection (b), which may not exceed fifteen percent (15%). The percentage determined by the designating body remains in effect

throughout the term of the deduction and may not be changed.

STEP THREE: Determine the lesser of the STEP TWO product or one hundred thousand dollars (\$100,000).

(d) Fees collected under this section must be distributed to one (1) or more public or nonprofit entities established to promote economic development within the corporate limits of the city, town, or county served by the designating body. The designating body shall notify the county auditor of the entities that are to receive distributions under this section and the relative proportions of those distributions. The county auditor shall distribute fees collected under this section in accordance with the designating body's instructions.

(e) If the designating body determines that a property owner has not paid a fee imposed under this section, the designating body may adopt a resolution terminating the property owner's deduction under section 3 or 4.5 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes."

Page 1, line 15, after "2005" insert ", and before March 2, 2009".

Page 2, line 13, delete "ten million dollars (\$10,000,000);" and insert "**two million dollars (\$2,000,000);**".

Page 2, line 20, delete "100%" and insert "**50%**".

Page 2, line 21, delete "66%" and insert "**33%**".

Page 2, line 22, delete "33%" and insert "**16.5%**".

Page 3, line 10, after "2005" insert ", and before March 2, 2009".

Page 3, line 27, delete "ten million dollars (\$10,000,000);" and insert "**two million dollars (\$2,000,000);**".

Page 3, line 33, delete "100%" and insert "**50%**".

Page 3, line 34, delete "66%" and insert "**33%**".

Page 3, line 35, delete "33%" and insert "**16.5%**".

Page 6, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 10. IC 6-1.1-39-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) If the fiscal body of a unit finds that:

(1) in order to promote opportunities for the gainful employment of its citizens, the attraction of a new business enterprise to the unit, the retention or expansion of a business enterprise existing within the boundaries of the unit, or the preservation or

enhancement of the tax base of the unit, an area under the fiscal body's jurisdiction should be declared an economic development district;

(2) the public health and welfare of the unit will be benefited by designating the area as an economic development district; and

(3) there has been proposed a qualified industrial development project to be located in the economic development district, with the proposal supported by:

(A) financial and economic data; and

(B) preliminary commitments by business enterprises, associations, state or federal governmental units, or similar entities that evidence a reasonable likelihood that the proposed qualified industrial development project will be initiated and accomplished;

the fiscal body may, before January 1, ~~2006~~, **2011**, adopt an ordinance declaring the area to be an economic development district and declaring that the public health and welfare of the unit will be benefited by the designation.

(b) For the purpose of adopting an ordinance under subsection (a), it is sufficient to describe the boundaries of the area by its location in relation to public ways or streams or otherwise as determined by the fiscal body.

SECTION 11. IC 6-2.5-5-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 37. Transactions involving ~~the following~~ tangible personal property are exempt from the state gross retail tax, **if the tangible personal property:**

(1) ~~Engines or chassis that are~~ is leased, owned, or operated by a professional racing ~~teams:~~ **team; and**

(2) ~~All spare, replacement, and rebuilding parts or components for the engines and chassis described in subdivision (1); excluding tires and accessories.~~

(2) comprises any part of a professional motor racing vehicle, excluding tires and accessories."

Page 6, between lines 38 and 39, begin a new line block indented and insert:

"(7) Testing for purposes of quality control."

Page 8, delete lines 13 through 28, begin a new paragraph and insert:

"SECTION 15. IC 6-3.1-4-2 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A taxpayer who incurs Indiana qualified research expense in a particular taxable year is entitled to a research expense tax credit for the taxable year. ~~in~~

(b) For Indiana qualified research expense incurred before January 1, 2008, the amount of the research expense tax credit is equal to the product of ~~(1)~~ ten percent (10%) multiplied by ~~(2)~~ the remainder of:

(1) the taxpayer's Indiana qualified research expenses for the taxable year; minus

~~(A) the taxpayer's base period Indiana qualified research expenses, for taxable years beginning before January 1, 1990;~~
or

~~(B) (2) the taxpayer's base amount, for taxable years beginning after December 31, 1989;~~

(c) For Indiana qualified research expense incurred after December 31, 2007, the amount of the research expense tax credit is determined under STEP FOUR of the following formula:

STEP ONE: Subtract the taxpayer's base amount from the taxpayer's Indiana qualified research expense for the taxable year.

STEP TWO: Multiply the lesser of:

(A) one million dollars (\$1,000,000); or

(B) the STEP ONE remainder;

by fifteen percent (15%).

STEP THREE: If the STEP ONE remainder exceeds one million dollars (\$1,000,000), multiply the amount of that excess by ten percent (10%).

STEP FOUR: Add the STEP TWO and STEP THREE products.

SECTION 16. IC 6-3.1-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3. (a) The amount of the credit provided by this chapter that a taxpayer uses during a particular taxable year may not exceed the sum of the taxes imposed by IC 6-3 for the taxable year after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter. If the credit provided by this chapter exceeds that sum for the taxable year for which the credit is first claimed, then the excess may be carried over to succeeding taxable years and used as a credit against

the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, it is to be reduced by the amount which was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for ~~fifteen (15)~~ **ten (10)** taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit."

Page 9, delete lines 3 through 42.

Delete pages 10 through 21.

Page 22, delete lines 1 through 4, begin a new paragraph and insert:

"SECTION 18. IC 6-3.1-24-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 3. As used in this chapter, "qualified investment capital" means debt or equity capital that is provided to a qualified Indiana business after December 31, 2003.

However, the term does not include debt that:

(1) is provided by a financial institution (as defined in IC 5-13-4-10) after May 15, 2005; and

(2) is secured by a valid mortgage, security agreement, or other agreement or document that establishes a collateral or security position for the financial institution that is senior to all collateral or security interests of other taxpayers that provide debt or equity capital to the qualified Indiana business.

SECTION 19. IC 6-3.1-24-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 7. (a) The department of commerce shall certify that a business is a qualified Indiana business if the department determines that the business:

(1) has its headquarters in Indiana;

(2) is primarily focused on **professional motor vehicle racing**, commercialization of research and development, technology transfers, or the application of new technology, or is determined

by the department of commerce to have significant potential to:

- (A) bring substantial capital into Indiana;
- (B) create jobs;
- (C) diversify the business base of Indiana; or
- (D) significantly promote the purposes of this chapter in any other way;

(3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under this chapter;

(4) has:

- (A) at least fifty percent (50%) of its employees residing in Indiana; or
- (B) at least seventy-five percent (75%) of its assets located in Indiana; and

(5) is not engaged in a business involving:

- (A) real estate;
- (B) real estate development;
- (C) insurance;
- (D) professional services provided by an accountant, a lawyer, or a physician;
- (E) retail sales, except when the primary purpose of the business is the development or support of electronic commerce using the Internet; or
- (F) oil and gas exploration.

(b) A business shall apply to be certified as a qualified Indiana business on a form prescribed by the department of commerce.

(c) If a business is certified as a qualified Indiana business under this section, the department of commerce shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(d) The department of commerce may impose an application fee of not more than two hundred dollars (\$200).

SECTION 20. IC 6-3.1-24-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

Sec. 9. (a) The total amount of tax credits that may be allowed under this chapter in a particular calendar year for qualified investment capital provided during that calendar year may not exceed ~~ten~~ **twelve** million

1 **five hundred thousand** dollars (~~\$10,000,000~~) **(\$12,500,000)**. The
 2 department of commerce may not certify a proposed investment plan
 3 under section 12.5 of this chapter if the proposed investment would
 4 result in the total amount of the tax credits certified for the calendar
 5 year exceeding ~~ten~~ **twelve** million **five hundred thousand** dollars
 6 (~~\$10,000,000~~) **(\$12,500,000)**. An amount of an unused credit carried
 7 over by a taxpayer from a previous calendar year may not be
 8 considered in determining the amount of proposed investments that the
 9 department of commerce may certify under this chapter.

10 (b) Notwithstanding the other provisions of this chapter, a taxpayer
 11 is not entitled to a credit for providing qualified investment capital to
 12 a qualified Indiana business after December 31, 2008. However, this
 13 subsection may not be construed to prevent a taxpayer from carrying
 14 over to a taxable year beginning after December 31, 2008, an unused
 15 tax credit attributable to an investment occurring before January 1,
 16 2009.

17 SECTION 21. IC 6-3.1-24-12 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 12. If the amount
 19 of the credit determined under section 10 of this chapter for a taxpayer
 20 in a taxable year exceeds the taxpayer's state tax liability for that
 21 taxable year, the taxpayer may carry the excess **credit over for a**
 22 **period not to exceed** the taxpayer's following **five (5)** taxable years.
 23 The amount of the credit carryover from a taxable year shall be reduced
 24 to the extent that the carryover is used by the taxpayer to obtain a credit
 25 under this chapter for any subsequent taxable year. A taxpayer is not
 26 entitled to a carryback or a refund of any unused credit amount.

27 SECTION 22. IC 6-3.1-24-12.5 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:
 29 Sec. 12.5. (a) A taxpayer wishing to obtain a credit under this chapter
 30 must apply to the department of commerce for a certification that the
 31 taxpayer's proposed investment plan would qualify for a credit under
 32 this chapter.

33 (b) The application required under subsection (a) must include:

- 34 (1) the name and address of the taxpayer;
- 35 (2) the name and address of each proposed recipient of the
- 36 taxpayer's proposed investment;
- 37 (3) the amount of the proposed investment;
- 38 (4) a copy of the certification issued under section 7 of this

chapter that the proposed recipient is a qualified Indiana business;
and

(5) any other information required by the department of commerce.

(c) If the department of commerce determines that:

(1) the proposed investment would qualify the taxpayer for a credit under this chapter; and

(2) the amount of the proposed investment would not result in the total amount of tax credits certified for the calendar year exceeding ~~ten~~ **twelve** million **five hundred thousand** dollars ~~(\$10,000,000); (\$12,500,000);~~

the department of commerce shall certify the taxpayer's proposed investment plan.

(d) To receive a credit under this chapter, the taxpayer must provide qualified investment capital to a qualified Indiana business according to the taxpayer's certified investment plan within two (2) years after the date on which the department of commerce certifies the investment plan.

(e) Upon making the investment required under subsection (d), the taxpayer shall provide proof of the investment to the department of commerce.

(f) Upon receiving proof of a taxpayer's investment under subsection (e), the department of commerce shall issue the taxpayer a certificate indicating that the taxpayer has fulfilled the requirements of the department of commerce and that the taxpayer is entitled to a credit under this chapter.

(g) A taxpayer forfeits the right to a tax credit attributable to an investment certified under subsection (c) if the taxpayer fails to make the proposed investment within the period required under subsection (d).

SECTION 23. IC 36-7-14-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

1 (1) If an allocation provision is adopted after June 30, 1995, in a
2 declaratory resolution or an amendment to a declaratory resolution
3 establishing an economic development area:

4 (A) the net assessed value of all the property as finally
5 determined for the assessment date immediately preceding the
6 effective date of the allocation provision of the declaratory
7 resolution, as adjusted under subsection (h); plus

8 (B) to the extent that it is not included in clause (A), the net
9 assessed value of property that is assessed as residential
10 property under the rules of the department of local government
11 finance, as finally determined for any assessment date after the
12 effective date of the allocation provision.

13 (2) If an allocation provision is adopted after June 30, 1997, in a
14 declaratory resolution or an amendment to a declaratory resolution
15 establishing a blighted area:

16 (A) the net assessed value of all the property as finally
17 determined for the assessment date immediately preceding the
18 effective date of the allocation provision of the declaratory
19 resolution, as adjusted under subsection (h); plus

20 (B) to the extent that it is not included in clause (A), the net
21 assessed value of property that is assessed as residential
22 property under the rules of the department of local government
23 finance, as finally determined for any assessment date after the
24 effective date of the allocation provision.

25 (3) If:

26 (A) an allocation provision adopted before June 30, 1995, in a
27 declaratory resolution or an amendment to a declaratory
28 resolution establishing a blighted area expires after June 30,
29 1997; and

30 (B) after June 30, 1997, a new allocation provision is included
31 in an amendment to the declaratory resolution;

32 the net assessed value of all the property as finally determined for
33 the assessment date immediately preceding the effective date of
34 the allocation provision adopted after June 30, 1997, as adjusted
35 under subsection (h).

36 (4) Except as provided in subdivision (5), for all other allocation
37 areas, the net assessed value of all the property as finally
38 determined for the assessment date immediately preceding the

1 effective date of the allocation provision of the declaratory
2 resolution, as adjusted under subsection (h).

3 (5) If an allocation area established in an economic development
4 area before July 1, 1995, is expanded after June 30, 1995, the
5 definition in subdivision (1) applies to the expanded portion of the
6 area added after June 30, 1995.

7 (6) If an allocation area established in a blighted area before July
8 1, 1997, is expanded after June 30, 1997, the definition in
9 subdivision (2) applies to the expanded portion of the area added
10 after June 30, 1997.

11 Except as provided in section 39.3 of this chapter, "property taxes"
12 means taxes imposed under IC 6-1.1 on real property. However, upon
13 approval by a resolution of the redevelopment commission adopted
14 before June 1, 1987, "property taxes" also includes taxes imposed under
15 IC 6-1.1 on depreciable personal property. If a redevelopment
16 commission adopted before June 1, 1987, a resolution to include within
17 the definition of property taxes taxes imposed under IC 6-1.1 on
18 depreciable personal property that has a useful life in excess of eight (8)
19 years, the commission may by resolution determine the percentage of
20 taxes imposed under IC 6-1.1 on all depreciable personal property that
21 will be included within the definition of property taxes. However, the
22 percentage included must not exceed twenty-five percent (25%) of the
23 taxes imposed under IC 6-1.1 on all depreciable personal property.

24 (b) A declaratory resolution adopted under section 15 of this chapter
25 before January 1, ~~2006~~, **2011**, may include a provision with respect to
26 the allocation and distribution of property taxes for the purposes and in
27 the manner provided in this section. A declaratory resolution previously
28 adopted may include an allocation provision by the amendment of that
29 declaratory resolution before January 1, ~~2006~~, **2011**, in accordance with
30 the procedures required for its original adoption. A declaratory
31 resolution or an amendment that establishes an allocation provision
32 after June 30, 1995, must specify an expiration date for the allocation
33 provision that may not be more than thirty (30) years after the date on
34 which the allocation provision is established. However, if bonds or
35 other obligations that were scheduled when issued to mature before the
36 specified expiration date and that are payable only from allocated tax
37 proceeds with respect to the allocation area remain outstanding as of the
38 expiration date, the allocation provision does not expire until all of the

bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this

1 chapter.

2 (G) Reimburse the unit for expenditures made by it for local

3 public improvements (which include buildings, parking

4 facilities, and other items described in section 25.1(a) of this

5 chapter) in or serving that allocation area.

6 (H) Reimburse the unit for rentals paid by it for a building or

7 parking facility in or serving that allocation area under any

8 lease entered into under IC 36-1-10.

9 (I) Pay all or a portion of a property tax replacement credit to

10 taxpayers in an allocation area as determined by the

11 redevelopment commission. This credit equals the amount

12 determined under the following STEPS for each taxpayer in a

13 taxing district (as defined in IC 6-1.1-1-20) that contains all or

14 part of the allocation area:

15 STEP ONE: Determine that part of the sum of the amounts

16 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),

17 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and

18 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

19 STEP TWO: Divide:

20 (A) that part of each county's eligible property tax

21 replacement amount (as defined in IC 6-1.1-21-2) for that

22 year as determined under IC 6-1.1-21-4 that is attributable to

23 the taxing district; by

24 (B) the STEP ONE sum.

25 STEP THREE: Multiply:

26 (A) the STEP TWO quotient; times

27 (B) the total amount of the taxpayer's taxes (as defined in

28 IC 6-1.1-21-2) levied in the taxing district that have been

29 allocated during that year to an allocation fund under this

30 section.

31 If not all the taxpayers in an allocation area receive the credit

32 in full, each taxpayer in the allocation area is entitled to receive

33 the same proportion of the credit. A taxpayer may not receive

34 a credit under this section and a credit under section 39.5 of

35 this chapter in the same year.

36 (J) Pay expenses incurred by the redevelopment commission

37 for local public improvements that are in the allocation area or

38 serving the allocation area. Public improvements include

buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date

1 of the allocation provision of the declaratory resolution is the lesser of:

2 (1) the assessed value of the property for the assessment date with
3 respect to which the allocation and distribution is made; or

4 (2) the base assessed value.

5 (d) Property tax proceeds allocable to the redevelopment district
6 under subsection (b)(2) may, subject to subsection (b)(3), be
7 irrevocably pledged by the redevelopment district for payment as set
8 forth in subsection (b)(2).

9 (e) Notwithstanding any other law, each assessor shall, upon petition
10 of the redevelopment commission, reassess the taxable property situated
11 upon or in, or added to, the allocation area, effective on the next
12 assessment date after the petition.

13 (f) Notwithstanding any other law, the assessed value of all taxable
14 property in the allocation area, for purposes of tax limitation, property
15 tax replacement, and formulation of the budget, tax rate, and tax levy
16 for each political subdivision in which the property is located is the
17 lesser of:

18 (1) the assessed value of the property as valued without regard to
19 this section; or

20 (2) the base assessed value.

21 (g) If any part of the allocation area is located in an enterprise zone
22 created under IC 4-4-6.1, the unit that designated the allocation area
23 shall create funds as specified in this subsection. A unit that has
24 obligations, bonds, or leases payable from allocated tax proceeds under
25 subsection (b)(2) shall establish an allocation fund for the purposes
26 specified in subsection (b)(2) and a special zone fund. Such a unit shall,
27 until the end of the enterprise zone phase out period, deposit each year
28 in the special zone fund any amount in the allocation fund derived from
29 property tax proceeds in excess of those described in subsection (b)(1)
30 from property located in the enterprise zone that exceeds the amount
31 sufficient for the purposes specified in subsection (b)(2) for the year.
32 The amount sufficient for purposes specified in subsection (b)(2) for the
33 year shall be determined based on the pro rata portion of such current
34 property tax proceeds from the portion of the enterprise zone that is
35 within the allocation area as compared to all such current property tax
36 proceeds derived from the allocation area. A unit that has no
37 obligations, bonds, or leases payable from allocated tax proceeds under
38 subsection (b)(2) shall establish a special zone fund and deposit all the

property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 24. IC 36-7-15.1-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

- (1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

- 1 (A) the net assessed value of all the property as finally
 2 determined for the assessment date immediately preceding the
 3 effective date of the allocation provision of the declaratory
 4 resolution, as adjusted under subsection (h); plus
 5 (B) to the extent that it is not included in clause (A), the net
 6 assessed value of property that is assessed as residential
 7 property under the rules of the department of local government
 8 finance, as finally determined for any assessment date after the
 9 effective date of the allocation provision.
- 10 (2) If an allocation provision is adopted after June 30, 1997, in a
 11 declaratory resolution or an amendment to a declaratory resolution
 12 establishing a blighted area:
- 13 (A) the net assessed value of all the property as finally
 14 determined for the assessment date immediately preceding the
 15 effective date of the allocation provision of the declaratory
 16 resolution, as adjusted under subsection (h); plus
 17 (B) to the extent that it is not included in clause (A), the net
 18 assessed value of property that is assessed as residential
 19 property under the rules of the department of local government
 20 finance, as finally determined for any assessment date after the
 21 effective date of the allocation provision.
- 22 (3) If:
- 23 (A) an allocation provision adopted before June 30, 1995, in a
 24 declaratory resolution or an amendment to a declaratory
 25 resolution establishing a blighted area expires after June 30,
 26 1997; and
 27 (B) after June 30, 1997, a new allocation provision is included
 28 in an amendment to the declaratory resolution;
 29 the net assessed value of all the property as finally determined for
 30 the assessment date immediately preceding the effective date of
 31 the allocation provision adopted after June 30, 1997, as adjusted
 32 under subsection (h).
- 33 (4) Except as provided in subdivision (5), for all other allocation
 34 areas, the net assessed value of all the property as finally
 35 determined for the assessment date immediately preceding the
 36 effective date of the allocation provision of the declaratory
 37 resolution, as adjusted under subsection (h).
- 38 (5) If an allocation area established in an economic development

1 area before July 1, 1995, is expanded after June 30, 1995, the
 2 definition in subdivision (1) applies to the expanded portion of the
 3 area added after June 30, 1995.

4 (6) If an allocation area established in a blighted area before July
 5 1, 1997, is expanded after June 30, 1997, the definition in
 6 subdivision (2) applies to the expanded portion of the area added
 7 after June 30, 1997.

8 Except as provided in section 26.2 of this chapter, "property taxes"
 9 means taxes imposed under IC 6-1.1 on real property. However, upon
 10 approval by a resolution of the redevelopment commission adopted
 11 before June 1, 1987, "property taxes" also includes taxes imposed under
 12 IC 6-1.1 on depreciable personal property. If a redevelopment
 13 commission adopted before June 1, 1987, a resolution to include within
 14 the definition of property taxes taxes imposed under IC 6-1.1 on
 15 depreciable personal property that has a useful life in excess of eight (8)
 16 years, the commission may by resolution determine the percentage of
 17 taxes imposed under IC 6-1.1 on all depreciable personal property that
 18 will be included within the definition of property taxes. However, the
 19 percentage included must not exceed twenty-five percent (25%) of the
 20 taxes imposed under IC 6-1.1 on all depreciable personal property.

21 (b) A resolution adopted under section 8 of this chapter before
 22 January 1, ~~2006~~, **2011**, may include a provision with respect to the
 23 allocation and distribution of property taxes for the purposes and in the
 24 manner provided in this section. A resolution previously adopted may
 25 include an allocation provision by the amendment of that resolution
 26 before January 1, ~~2006~~, **2011**, in accordance with the procedures
 27 required for its original adoption. A declaratory resolution or an
 28 amendment that establishes an allocation provision after June 30, 1995,
 29 must specify an expiration date for the allocation provision that may not
 30 be more than thirty (30) years after the date on which the allocation
 31 provision is established. However, if bonds or other obligations that
 32 were scheduled when issued to mature before the specified expiration
 33 date and that are payable only from allocated tax proceeds with respect
 34 to the allocation area remain outstanding as of the expiration date, the
 35 allocation provision does not expire until all of the bonds or other
 36 obligations are no longer outstanding. The allocation provision may
 37 apply to all or part of the blighted area. The allocation provision must
 38 require that any property taxes subsequently levied by or for the benefit

1 of any public body entitled to a distribution of property taxes on taxable
 2 property in the allocation area be allocated and distributed as follows:

3 (1) Except as otherwise provided in this section, the proceeds of
 4 the taxes attributable to the lesser of:

5 (A) the assessed value of the property for the assessment date
 6 with respect to which the allocation and distribution is made;
 7 or

8 (B) the base assessed value;

9 shall be allocated to and, when collected, paid into the funds of
 10 the respective taxing units.

11 (2) Except as otherwise provided in this section, property tax
 12 proceeds in excess of those described in subdivision (1) shall be
 13 allocated to the redevelopment district and, when collected, paid
 14 into a special fund for that allocation area that may be used by the
 15 redevelopment district only to do one (1) or more of the
 16 following:

17 (A) Pay the principal of and interest on any obligations
 18 payable solely from allocated tax proceeds that are incurred by
 19 the redevelopment district for the purpose of financing or
 20 refinancing the redevelopment of that allocation area.

21 (B) Establish, augment, or restore the debt service reserve for
 22 bonds payable solely or in part from allocated tax proceeds in
 23 that allocation area.

24 (C) Pay the principal of and interest on bonds payable from
 25 allocated tax proceeds in that allocation area and from the
 26 special tax levied under section 19 of this chapter.

27 (D) Pay the principal of and interest on bonds issued by the
 28 consolidated city to pay for local public improvements in that
 29 allocation area.

30 (E) Pay premiums on the redemption before maturity of bonds
 31 payable solely or in part from allocated tax proceeds in that
 32 allocation area.

33 (F) Make payments on leases payable from allocated tax
 34 proceeds in that allocation area under section 17.1 of this
 35 chapter.

36 (G) Reimburse the consolidated city for expenditures for local
 37 public improvements (which include buildings, parking
 38 facilities, and other items set forth in section 17 of this chapter)

- 1 in that allocation area.
- 2 (H) Reimburse the unit for rentals paid by it for a building or
- 3 parking facility in that allocation area under any lease entered
- 4 into under IC 36-1-10.
- 5 (I) Reimburse public and private entities for expenses incurred
- 6 in training employees of industrial facilities that are located:
- 7 (i) in the allocation area; and
- 8 (ii) on a parcel of real property that has been classified as
- 9 industrial property under the rules of the department of local
- 10 government finance.
- 11 However, the total amount of money spent for this purpose in
- 12 any year may not exceed the total amount of money in the
- 13 allocation fund that is attributable to property taxes paid by the
- 14 industrial facilities described in this clause. The
- 15 reimbursements under this clause must be made within three
- 16 (3) years after the date on which the investments that are the
- 17 basis for the increment financing are made.
- 18 The special fund may not be used for operating expenses of the
- 19 commission.
- 20 (3) Before July 15 of each year, the commission shall do the
- 21 following:
- 22 (A) Determine the amount, if any, by which the base assessed
- 23 value when multiplied by the estimated tax rate of the allocated
- 24 area will exceed the amount of assessed value needed to
- 25 provide the property taxes necessary to make, when due,
- 26 principal and interest payments on bonds described in
- 27 subdivision (2) plus the amount necessary for other purposes
- 28 described in subdivision (2) and subsection (g).
- 29 (B) Notify the county auditor of the amount, if any, of excess
- 30 assessed value that the commission has determined may be
- 31 allocated to the respective taxing units in the manner
- 32 prescribed in subdivision (1).
- 33 The commission may not authorize an allocation to the respective
- 34 taxing units under this subdivision if to do so would endanger the
- 35 interests of the holders of bonds described in subdivision (2).
- 36 (c) For the purpose of allocating taxes levied by or for any taxing
- 37 unit or units, the assessed value of taxable property in a territory in the
- 38 allocation area that is annexed by any taxing unit after the effective date

- 1 of the allocation provision of the resolution is the lesser of:
- 2 (1) the assessed value of the property for the assessment date with
3 respect to which the allocation and distribution is made; or
4 (2) the base assessed value.
- 5 (d) Property tax proceeds allocable to the redevelopment district
6 under subsection (b)(2) may, subject to subsection (b)(3), be
7 irrevocably pledged by the redevelopment district for payment as set
8 forth in subsection (b)(2).
- 9 (e) Notwithstanding any other law, each assessor shall, upon petition
10 of the commission, reassess the taxable property situated upon or in, or
11 added to, the allocation area, effective on the next assessment date after
12 the petition.
- 13 (f) Notwithstanding any other law, the assessed value of all taxable
14 property in the allocation area, for purposes of tax limitation, property
15 tax replacement, and formulation of the budget, tax rate, and tax levy
16 for each political subdivision in which the property is located is the
17 lesser of:
- 18 (1) the assessed value of the property as valued without regard to
19 this section; or
20 (2) the base assessed value.
- 21 (g) If any part of the allocation area is located in an enterprise zone
22 created under IC 4-4-6.1, the unit that designated the allocation area
23 shall create funds as specified in this subsection. A unit that has
24 obligations, bonds, or leases payable from allocated tax proceeds under
25 subsection (b)(2) shall establish an allocation fund for the purposes
26 specified in subsection (b)(2) and a special zone fund. Such a unit shall,
27 until the end of the enterprise zone phase out period, deposit each year
28 in the special zone fund the amount in the allocation fund derived from
29 property tax proceeds in excess of those described in subsection (b)(1)
30 from property located in the enterprise zone that exceeds the amount
31 sufficient for the purposes specified in subsection (b)(2) for the year. A
32 unit that has no obligations, bonds, or leases payable from allocated tax
33 proceeds under subsection (b)(2) shall establish a special zone fund and
34 deposit all the property tax proceeds in excess of those described in
35 subsection (b)(1) in the fund derived from property tax proceeds in
36 excess of those described in subsection (b)(1) from property located in
37 the enterprise zone. The unit that creates the special zone fund shall use
38 the fund, based on the recommendations of the urban enterprise

1 association, for one (1) or more of the following purposes:

2 (1) To pay for programs in job training, job enrichment, and basic
3 skill development designed to benefit residents and employers in
4 the enterprise zone. The programs must reserve at least one-half
5 (1/2) of the enrollment in any session for residents of the
6 enterprise zone.

7 (2) To make loans and grants for the purpose of stimulating
8 business activity in the enterprise zone or providing employment
9 for enterprise zone residents in the enterprise zone. These loans
10 and grants may be made to the following:

11 (A) Businesses operating in the enterprise zone.

12 (B) Businesses that will move their operations to the enterprise
13 zone if such a loan or grant is made.

14 (3) To provide funds to carry out other purposes specified in
15 subsection (b)(2). However, where reference is made in
16 subsection (b)(2) to the allocation area, the reference refers for
17 purposes of payments from the special zone fund only to that
18 portion of the allocation area that is also located in the enterprise
19 zone.

20 (h) The state board of accounts and department of local government
21 finance shall make the rules and prescribe the forms and procedures that
22 they consider expedient for the implementation of this chapter. After
23 each general reassessment under IC 6-1.1-4, the department of local
24 government finance shall adjust the base assessed value one (1) time to
25 neutralize any effect of the general reassessment on the property tax
26 proceeds allocated to the redevelopment district under this section.
27 However, the adjustment may not include the effect of property tax
28 abatements under IC 6-1.1-12.1, and the adjustment may not produce
29 less property tax proceeds allocable to the redevelopment district under
30 subsection (b)(2) than would otherwise have been received if the
31 general reassessment had not occurred. The department of local
32 government finance may prescribe procedures for county and township
33 officials to follow to assist the department in making the adjustments.

34 SECTION 25. IC 36-7-15.1-53 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 53. (a) As used in this
36 section:

37 "Allocation area" means that part of a blighted area to which an
38 allocation provision of a resolution adopted under section 40 of this

1 chapter refers for purposes of distribution and allocation of property
2 taxes.

3 "Base assessed value" means:

- 4 (1) the net assessed value of all the property as finally determined
5 for the assessment date immediately preceding the effective date
6 of the allocation provision of the declaratory resolution, as
7 adjusted under subsection (h); plus
8 (2) to the extent that it is not included in subdivision (1), the net
9 assessed value of property that is assessed as residential property
10 under the rules of the department of local government finance, as
11 finally determined for any assessment date after the effective date
12 of the allocation provision.

13 Except as provided in section 55 of this chapter, "property taxes"
14 means taxes imposed under IC 6-1.1 on real property.

15 (b) A resolution adopted under section 40 of this chapter before
16 January 1, ~~2006~~, **2011**, may include a provision with respect to the
17 allocation and distribution of property taxes for the purposes and in the
18 manner provided in this section. A resolution previously adopted may
19 include an allocation provision by the amendment of that resolution
20 before January 1, ~~2006~~, **2011**, in accordance with the procedures
21 required for its original adoption. A declaratory resolution or an
22 amendment that establishes an allocation provision must be approved
23 by resolution of the legislative body of the excluded city and must
24 specify an expiration date for the allocation provision that may not be
25 more than thirty (30) years after the date on which the allocation
26 provision is established. However, if bonds or other obligations that
27 were scheduled when issued to mature before the specified expiration
28 date and that are payable only from allocated tax proceeds with respect
29 to the allocation area remain outstanding as of the expiration date, the
30 allocation provision does not expire until all of the bonds or other
31 obligations are no longer outstanding. The allocation provision may
32 apply to all or part of the blighted area. The allocation provision must
33 require that any property taxes subsequently levied by or for the benefit
34 of any public body entitled to a distribution of property taxes on taxable
35 property in the allocation area be allocated and distributed as follows:

- 36 (1) Except as otherwise provided in this section, the proceeds of
37 the taxes attributable to the lesser of:
38 (A) the assessed value of the property for the assessment date

- 1 with respect to which the allocation and distribution is made;
2 or
3 (B) the base assessed value;
4 shall be allocated to and, when collected, paid into the funds of
5 the respective taxing units.
6 (2) Except as otherwise provided in this section, property tax
7 proceeds in excess of those described in subdivision (1) shall be
8 allocated to the redevelopment district and, when collected, paid
9 into a special fund for that allocation area that may be used by the
10 redemption district only to do one (1) or more of the
11 following:
12 (A) Pay the principal of and interest on any obligations
13 payable solely from allocated tax proceeds that are incurred by
14 the redevelopment district for the purpose of financing or
15 refinancing the redevelopment of that allocation area.
16 (B) Establish, augment, or restore the debt service reserve for
17 bonds payable solely or in part from allocated tax proceeds in
18 that allocation area.
19 (C) Pay the principal of and interest on bonds payable from
20 allocated tax proceeds in that allocation area and from the
21 special tax levied under section 50 of this chapter.
22 (D) Pay the principal of and interest on bonds issued by the
23 excluded city to pay for local public improvements in that
24 allocation area.
25 (E) Pay premiums on the redemption before maturity of bonds
26 payable solely or in part from allocated tax proceeds in that
27 allocation area.
28 (F) Make payments on leases payable from allocated tax
29 proceeds in that allocation area under section 46 of this
30 chapter.
31 (G) Reimburse the excluded city for expenditures for local
32 public improvements (which include buildings, park facilities,
33 and other items set forth in section 45 of this chapter) in that
34 allocation area.
35 (H) Reimburse the unit for rentals paid by it for a building or
36 parking facility in that allocation area under any lease entered
37 into under IC 36-1-10.
38 (I) Reimburse public and private entities for expenses incurred

in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district

1 under subsection (b)(2) may, subject to subsection (b)(3), be
2 irrevocably pledged by the redevelopment district for payment as set
3 forth in subsection (b)(2).

4 (e) Notwithstanding any other law, each assessor shall, upon petition
5 of the commission, reassess the taxable property situated upon or in, or
6 added to, the allocation area, effective on the next assessment date after
7 the petition.

8 (f) Notwithstanding any other law, the assessed value of all taxable
9 property in the allocation area, for purposes of tax limitation, property
10 tax replacement, and formulation of the budget, tax rate, and tax levy
11 for each political subdivision in which the property is located, is the
12 lesser of:

13 (1) the assessed value of the property as valued without regard to
14 this section; or

15 (2) the base assessed value.

16 (g) If any part of the allocation area is located in an enterprise zone
17 created under IC 4-4-6.1, the unit that designated the allocation area
18 shall create funds as specified in this subsection. A unit that has
19 obligations, bonds, or leases payable from allocated tax proceeds under
20 subsection (b)(2) shall establish an allocation fund for the purposes
21 specified in subsection (b)(2) and a special zone fund. Such a unit shall,
22 until the end of the enterprise zone phase out period, deposit each year
23 in the special zone fund the amount in the allocation fund derived from
24 property tax proceeds in excess of those described in subsection (b)(1)
25 from property located in the enterprise zone that exceeds the amount
26 sufficient for the purposes specified in subsection (b)(2) for the year. A
27 unit that has no obligations, bonds, or leases payable from allocated tax
28 proceeds under subsection (b)(2) shall establish a special zone fund and
29 deposit all the property tax proceeds in excess of those described in
30 subsection (b)(1) in the fund derived from property tax proceeds in
31 excess of those described in subsection (b)(1) from property located in
32 the enterprise zone. The unit that creates the special zone fund shall use
33 the fund, based on the recommendations of the urban enterprise
34 association, for one (1) or more of the following purposes:

35 (1) To pay for programs in job training, job enrichment, and basic
36 skill development designed to benefit residents and employers in
37 the enterprise zone. The programs must reserve at least one-half
38 (1/2) of the enrollment in any session for residents of the

1 enterprise zone.

2 (2) To make loans and grants for the purpose of stimulating
3 business activity in the enterprise zone or providing employment
4 for enterprise zone residents in an enterprise zone. These loans
5 and grants may be made to the following:

6 (A) Businesses operating in the enterprise zone.

7 (B) Businesses that will move their operations to the enterprise
8 zone if such a loan or grant is made.

9 (3) To provide funds to carry out other purposes specified in
10 subsection (b)(2). However, where reference is made in
11 subsection (b)(2) to the allocation area, the reference refers, for
12 purposes of payments from the special zone fund, only to that part
13 of the allocation area that is also located in the enterprise zone.

14 (h) The state board of accounts and department of local government
15 finance shall make the rules and prescribe the forms and procedures that
16 they consider expedient for the implementation of this chapter. After
17 each general reassessment under IC 6-1.1-4, the department of local
18 government finance shall adjust the base assessed value one (1) time to
19 neutralize any effect of the general reassessment on the property tax
20 proceeds allocated to the redevelopment district under this section.
21 However, the adjustment may not include the effect of property tax
22 abatements under IC 6-1.1-12.1, and the adjustment may not produce
23 less property tax proceeds allocable to the redevelopment district under
24 subsection (b)(2) than would otherwise have been received if the
25 general reassessment had not occurred. The department of local
26 government finance may prescribe procedures for county and township
27 officials to follow to assist the department in making the adjustments.

28 SECTION 26. IC 6-1.1-12.1-2.3 IS REPEALED [EFFECTIVE
29 JULY 1, 2005]."

30 Page 22, after line 36, begin a new paragraph and insert:

31 **"(e) IC 6-3.1-4-3, as amended by this act, applies to taxable years**
32 **beginning after December 31, 2005. A taxpayer with a credit**
33 **carryover under IC 6-3.1-4-3 on December 31, 2005, from a taxable**
34 **year beginning before January 1, 2006, may carry the excess credit**
35 **over for a period not to exceed the ten (10) taxable years following**
36 **the taxable year in which the taxpayer was first entitled to claim**
37 **the credit. This subsection shall not be construed to disallow any**
38 **part of an excess credit used under IC 6-3.1-4-3, as effective before**

1 amendment by this act, for any taxable year ending before January
2 1, 2005.

3 SECTION 28. [EFFECTIVE JANUARY 1, 2005
4 (RETROACTIVE)] (a) IC 6-3.1-24-7, IC 6-3.1-24-9, and
5 IC 6-3.1-24-12.5, all as amended by this act, apply to taxable years
6 beginning and proposed investment plans approved after
7 December 31, 2004.

8 (b) IC 6-3.1-24-12, as amended by this act, applies to taxable
9 years beginning after December 31, 2005. A taxpayer with a credit
10 carryover under IC 6-3.1-24-12 on December 31, 2005, from a
11 taxable year beginning before January 1, 2006, may carry the
12 excess credit over for a period not to exceed the five (5) taxable
13 years following the taxable year in which the taxpayer was first
14 entitled to claim the credit. This subsection shall not be construed
15 to disallow any part of an excess credit used under IC 6-3.1-24-12,
16 as effective before amendment by this act, for any taxable year
17 ending before January 1, 2006.

18 SECTION 29. [EFFECTIVE JULY 1, 2005] For purposes of
19 IC 6-2.5-5-37, as amended by this act, all transactions shall be
20 considered as having occurred after June 30, 2005, to the extent
21 that delivery of the property or services constituting selling at retail
22 is made after that date to the purchaser or to the place of delivery
23 designated by the purchaser. However, a transaction shall be
24 considered as having occurred before July 1, 2005, to the extent
25 that the agreement of the parties to the transaction was entered
26 into before July 1, 2005, and payment for the property or services
27 furnished in the transaction is made before July 1, 2005,
28 notwithstanding the delivery of the property or services after June
29 30, 2005.

30 SECTION 30. [EFFECTIVE JULY 1, 2005] The following, all as
31 amended by this act, apply only to property taxes first due and
32 payable after December 31, 2006:

33 (1) IC 6-1.1-12.1-5.4.

34 (2) IC 6-1.1-12.1-5.6.

35 (3) IC 6-1.1-12.1-5.9.

36 (4) IC 6-1.1-12.1-8.

37 (5) IC 6-1.1-12.1-14.

38 SECTION 31. An emergency is declared for this act."

- 1 Renumber all SECTIONS consecutively.
 (Reference is to SB 1 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

Kenley

Chairperson